

106TH CONGRESS
2D SESSION

H. R. 5415

To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on wholesale electric energy sold in the Western System Coordinating Council.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2000

Mr. FILNER (for himself and Mr. KUCINICH) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on wholesale electric energy sold in the Western System Coordinating Council.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Public Oversight of
5 Wholesale Electric Rates Act” or “POWER Act”.

1 **SEC. 2. EXCISE TAX ON WINDFALL PROFIT FROM SALE OF**
 2 **ELECTRICITY ABOVE MAXIMUM PRICE AL-**
 3 **LOWABLE.**

4 (a) IN GENERAL.—Subtitle D of the Internal Rev-
 5 enue Code of 1986 is amended by inserting after chapter
 6 44 the following new chapter:

7 **“CHAPTER 45—EXCISE TAX ON WINDFALL**
 8 **PROFIT FROM SALE OF ELECTRICITY**

“Sec. 4986. Excise tax on windfall profit from sale of electricity.

9 **“SEC. 4986. EXCISE TAX ON WINDFALL PROFIT FROM SALE**
 10 **OF ELECTRICITY.**

11 “(a) IMPOSITION OF TAX.—An excise tax is hereby
 12 imposed on the windfall profit from the sale of electricity
 13 at wholesale in the Western System Coordinating Council.

14 “(b) LIABILITY FOR TAX.—The tax imposed by this
 15 section shall be paid by the person selling the electricity
 16 at wholesale.

17 “(c) AMOUNT OF TAX.—The amount of tax imposed
 18 by subsection (a) shall be 100 percent of the windfall prof-
 19 it from the sale.

20 “(d) WINDFALL PROFIT.—For purposes of this sec-
 21 tion, the term ‘windfall profit’ means the profits from the
 22 sale attributable to the excess of—

23 “(1) the rate at which the electric energy is
 24 sold, over

25 “(2) the lesser of—

1 “(A) the rate determined by a cost-based
 2 formula for whole rates established in accord-
 3 ance with Part II of the Federal Power Act, or
 4 “(B) the rate determined by averaging the
 5 wholesale prices for electric energy sold in the
 6 Western System Coordinating Council in the
 7 three-year period immediately before June 1,
 8 2000.”.

9 (b) CONFORMING AMENDMENTS.—

10 (1) Section 275(a)(6) of such Code is amended
 11 by inserting “45,” after “44,”.

12 (2) Section 6103(d)(1) of such Code is amend-
 13 ed by inserting “45,” after “44,”.

14 (3) Section 6302(b) of such Code is amended
 15 by striking “or 33” and inserting “33, or 45”.

16 (4) Section 6416(a)(1) of such Code is amended
 17 by inserting “, or chapter 45 (relating to excise tax
 18 on windfall profit from sale of electricity above max-
 19 imum price allowable),”.

20 (5) Section 6416(d) of such Code is amended
 21 by striking “or 32” and inserting “32, or 45”.

22 (c) CLERICAL AMENDMENT.—The table of chapters
 23 for subtitle D of such Code is amended by inserting after
 24 the item relating to chapter 44 the following new item:

 “CHAPTER 45. Excise tax on windfall profit from sale of elec-
 tricity.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to electricity sold after June 1,
3 2000.

